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ABSTRACT

This policy brief of the Southeastern Regional Vision for Education (SERVE) provides information for policymakers, educators, parents, and citizens on the Personal Responsibility and Work Opportunity Reconciliation Act. The brief discusses potential effects of welfare reform on children, describes research on welfare recipients and their children, gives examples of welfare reform, and suggests strategies and recommendations for welfare reform. The paper begins with a rationale for providing government assistance to families and provides a brief history of such assistance in the United States. This part describes the stipulations of the Personal Responsibility and Work Opportunity Reconciliation Act and discusses the complementary goals of enhancing workforce development and child development. Research findings on child care and self-sufficiency, the importance of child care quality, maternal employment, effects of work conditions, and benefit levels are presented. The report next describes challenges to states, including limited number of jobs suitable for welfare recipients, lack of child care slots, and eligibility for child care assistance. Welfare reform programs in North Carolina and Florida are described and information on additional legislative activity related to welfare reform is presented. The report then presents implications of welfare reform for early childhood care and education. Emerging trends in welfare reform are discussed, including a strong work commitment. emphasis on personal responsibility, welfare avoidance, reinvestment of welfare savings in prevention activities and supports for working families, income-based support systems for child care and health care, and employer outreach, involvement, and commitment. The report concludes with recommendations for local community action and for policymakers. (Contains 22 references.) (KB)

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SERVE Policy Brief

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Welfare to Work: Early Childhood Care and Education

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In perhaps the biggest social program rollback ever, the government's open-ended, virtual lifetime guarantee of financial assistance to the needy has been dramatically overhauled (Rankin and Schulte 1996). At its core is P.L. 104-193, the welfare bill known as The Personal Responsibility and Work Opportunity Reconciliation Act. It ends the federal entitlement of guaranteed cash to anyone eligible for financial support. Federal money is now sent to the states, and they are allowed to decide how to spend it (Meckler 1996). The primary goal of the new law—to move families off welfare and into jobs—is driven by a belief in the value of financial self-sufficiency; by concerns about the detrimental effects of life on welfare, particularly for children (Phillips and Bridgman 1995); and by the belief that the present system has not worked and is no longer affordable. This SERVE Policy Brief overviews the background on government assistance; information about the new law; the role of children in the welfare-to-work equation and the effects reform may have on them; and research on welfare recipients and their children, examples of reform from selected SERVE states, and suggested strategies and recommendations for policymakers, states, and local communities working in the area of welfare reform.

A Rationale for Government Assistance

In the early 1900s, many states, motivated in part by a desire to reduce the number of children forced into institutions because of the financial needs of their mothers, passed "mother's pensions" laws. Historically, the burden of financing mother's pensions has fallen mostly upon local government.

In June 1934, President Franklin Roosevelt sent a message to Congress affirming his support for a federal-state program providing for the security of the nation's men, women, and children "against the hazards and vicissitudes of life." Roosevelt preferred some kind of social insurance as the basic means of protection, particularly insurance against unemployment and old age. His focus for the unemployed was on jobs via a vast public works program. For the so-called "unemployables"—those too old, too ill, or too disabled to work and women with dependent children—he believed the responsibility belonged primarily with states, counties, cities, and private charities (Coll 1995).

At that time, proponents of publicly funded mother's pensions argued that women were under the triple strains of outside work, child rearing, and home management and that keeping children in their own homes was not only better for children but less costly than institutional care. Many called for a three-way division of the financial burden to be assumed by the federal, state, and local governments (Coll 1995).

By October 1, 1934, the Committee on Economic Security had agreed upon the essentials of the Social Security Act, including federal subsidies to states for mother's pensions. Eventually, "Social Security," which became synonymous with old-age insurance and was regarded as an essential program, was distinguished sharply from "Welfare." In reality, the Act was a combination of insurance and welfare (Coll 1995).

Funded at a much lower level, the program for Aid to Dependent Children (ADC) received little notice during the framing of the Social Security Act. But over the years, as investigators found intolerably high rates of ineligibility, recipients began to draw unfavorable attention. In the late 1960s, stripped of its protective cover and with the number of recipients rising, the program, now called Aid to Families with Dependent Children (AFDC), faced a hostile environment. Critics charged that AFDC was made to order for the allegedly "loose" family structure. Recipients were portrayed as irresponsible, and illegitimate children or mothers and children were left to go on welfare. Eventually, an administrative reorganization divorced welfare from the more popular Social Security. A series of reforms, beginning in 1967 and continuing into the Clinton administration, began to offer "workfare" as the centerpiece of the assistance issue. The reform of welfare as we've known it finally occurred with the passage of P.L. 104-193 in August 1996.

The New Law: An Overview

P.L. 104-193 marks the most significant change in welfare policy in decades. The new law

- Replaces the 65-year-old guarantee of income assistance
- Sets a five-year lifetime limit for the receipt of assistance
- Establishes stringent requirements for parents to work
- Gives states wide flexibility in how they choose to spend funds (Conte 1996)

Reductions in federal funds will total $54 billion over six years. The new law cuts $27.7 billion from the Food Stamp program, close to $3 billion from child nutrition programs, and billions of dollars from programs designed to help legal aliens, including children (Children's Defense Fund 1996). It is estimated that funding to 6.7 million families with children (the primary beneficiaries of food stamps) will be reduced an average of $435 per family in 1998, the first year that cuts take effect. Assistance to the very poorest families, those with annual incomes at or below $6,250 (or one-half the official poverty level for a family of three) will be reduced $655 per family in 1998, and by 2002, the cuts will average $790 annually per family (Conte 1996).

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The new legislation abolishes long-standing programs including AFDC, Job Opportunities and Basic Skills (JOBS), and Emergency Assistance to Families with Children (EA) (Children's Defense Fund 1996) which have been replaced with a block grant called Temporary Assistance for Needy Families (TANF). P.L. 104-193 also replaces the previous child care entitlement programs with a single federal child care program, the Child Care and Development Block Grant (CCDBG) and requires states to identify a lead agency to administer all child care funds received. Additionally, the new law requires that both spouses in a two-parent family work in order to receive child care and that states distribute consumer information concerning child care. States are prohibited, however, from reducing finan-

der six) who cannot find adequate jobs—thereby not meeting work requirements (Children's Defense Fund 1997).

Medicaid eligibility and participation is also affected in fundamental ways. States are no longer required to automatically enroll children who receive assistance under the block grant in the Medicaid program, and this, experts say, could result in significant numbers of eligible children not receiving Medicaid (Summer, Parrott, and Mann 1997). The new law also eliminates guaranteed child care assistance to families on welfare who need it to participate in work or training and eliminates the special category of "at-risk" child care, which previously helped families that would be at risk of welfare assistance if they did not get child care help (Children's Defense Fund 1996).

Children's Critical Relationship to Effective Welfare Policy

Children have been considered in the welfare policy debate as they relate to their parents' participation in the labor force (Houston 1994). Many in the education and human services sectors believe their task is to help state policymakers understand that workforce development and child development are complementary rather than competing goals and that new investments in child care are necessary to further both (Blank 1996). Children's advocates believe the challenge of workforce development depends on stable child care and that it cannot succeed without child care options that give families the stability they need to find and keep a job. They worry that many families leaving the welfare rolls are likely to be employed in jobs that do not pay enough to cover the cost of child care and are not particularly flexible or supportive of parents. Critics charge that welfare reform without attention to child care will lead to a lack of reliable child care, which may cause workers to lose time and be less productive (Blank 1996). Over the last several years, social scientists have been researching welfare and its effect on families, children, and work. The research points to interesting results that should be considered as the nation's assistance program embarks on a new course.

Research Findings

Child Care and Self-Sufficiency

LaDonna Pavetti, a research associate at the Urban Institute who is an authority on welfare dynamics, has summarized her research in the Institute's 1996 report, *Welfare Reform: An Analysis of the Issues*. The findings in the Urban Institute report offer some clues about questions raised in welfare policy discussions, including how transitions into and out of welfare affect children's development, how changes in family income and child care might influence families' efforts to attain self-sufficiency, how child care subsidies help or hinder low-income parents' efforts to work, and how child care affects children's well-being.

The report points out that successful transitions from welfare to work have always required child care. Pavetti says that, over time, two markedly different strategies have evolved concerning this issue. One strategy supports child care as necessary to prepare mothers for employment and de-emphasizes its developmental effects on children. The other strategy calls for early intervention services for children in order to interrupt intergenerational cycles of poverty. The quality of care that children receive is viewed as instrumental to their success in school, well-being, and development into productive adults (Phillips and Bridgman 1997).

Pavetti found that mothers receiving AFDC in California's welfare reform program were significantly more likely to drop out of the education and training program component if they thought the child care arrangement was inflexible in accommodating sick children, the basic safety in the care arrangement was not

Study after study has identified child care as one of the most significant, unmet needs for young parents. Completing school is related to teens' ability to become independent and productive adults. If teen mothers do not have access to reliable and affordable child care, they are unlikely to return to high school, attend GED classes, or enroll in vocational training (Blank 1996).

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adequate, or if staffing ratios in the child care facility fell. In fact, mothers assured of the safety of their children and who trusted care providers were twice as likely to complete the job training program as those who did not (Phillips and Bridgman 1997). This initial evidence that the successful completion of job training is contingent on child care that is reliable and of acceptable quality, and that matches parents' scheduling needs, highlights the pivotal role that child care plays in facilitating the work effort among families in poverty (Phillips and Bridgman 1997).

The Importance of Child Care Quality

The results of a four-state study of 400 child care centers (Cost, Quality, and Child Outcomes Study Team 1995) found that child care at most centers in the United States, especially for infants and toddlers, does not meet children's needs for health, safety, nurturing relationships, and learning. The findings show that only 14 percent of centers received a rating of developmentally appropriate; 40 percent of infant or toddler rooms were observed to offer poor quality care; and 12 percent were found to be of such poor quality that either basic sanitary conditions were not met, children's safety was endangered, or caregivers offered little or no response to children's efforts to communicate (Phillips and Bridgman 1997).

The study also found that children's cognitive and social development are positively related to the quality of their child care experience. Quality care correlates to children's receptive language ability, premathematics skills, advanced social skills, and positive self-perceptions and attitudes. All these factors are important to a child's capacity to enter school ready to learn (Phillips and Bridgman 1997).

Maternal Employment

Studies conducted from the late 1960s to the present have investigated how maternal employment affects children in low-income families. According to researchers, maternal employment among low-income families has generally had either positive or neutral implications for children's development. For instance, a study of Head Start students in the late 1960s found that children who scored well on a verbal test were more likely than their peers to have mothers who were employed outside the home. Early studies like this generally showed better intellectual, social, and emotional outcomes for low-income children of employed

Young women reliant on families dependent on welfare are two to three times less likely to graduate from high school than young women of similar race and socioeconomic background not raised on welfare. Similarly, single mothers raised in families receiving welfare remain on AFDC longer as adult parents than do single mothers not raised in welfare families, even when all other social and economic variables are held constant (Collins 1997a).

mothers (Zaslow and Ernig 1997). One researcher studied outcomes for three groups of children, 10 to 12 years old, all being raised by single mothers and attending inner-city public schools. Children of mothers employed full- and part-time, compared to those in families with a mother who was not employed, had higher self-esteem and perceived that their families were more cohesive and organized. Daughters of mothers employed full time had higher grade-point averages than other children and described their families as placing a higher priority on independence and achievement.

In another study, the children of mothers who worked during the child's first three years of school had higher math achievement scores in the second grade, even when other factors that might contribute to improved outcomes were taken into account. Recently employed mothers also had children with higher reading achievement and receptive vocabulary scores. The researchers concluded that "children from low-income families benefited from maternal employment," particularly with regard to cognitive development (Zaslow and Ernig 1997).

Researchers have consistently found that among low-income families maternal employment has positive implications for children. Furthermore, research suggests that favorable working conditions and higher wages among employed low-income mothers have positive implications for their children. Advocates of mandatory welfare-to-work programs may be encouraged by this conclusion, but they should bear in mind the important caveat that these studies have looked at mothers who voluntarily gained employment and who may, therefore, be different in important ways from mothers who do not acquire jobs of their own volition.

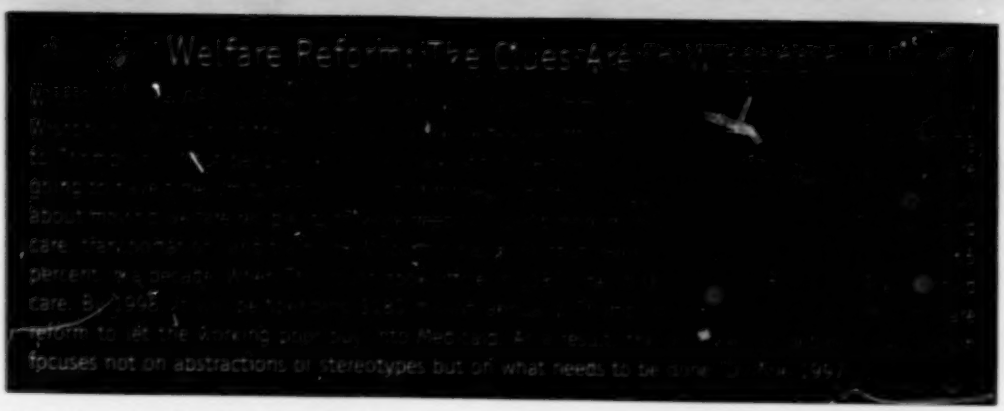
Effects of Work Conditions

Early studies considering how maternal employment affects children in low-income families documented that full-time work and better jobs were associated with more optimal child outcomes than part-time work and less stimulating jobs. For example, one researcher found that fifth graders from a poor neighborhood in North Philadelphia were better adjusted, had higher IQ scores, and saw their mothers as more consistent with discipline when their mothers were employed full time rather than part time (Zaslow and Ernig 1997).

Specific features of parents' jobs may also influence the types of behavior that parents value and encourage in their children. Research suggests that parents who are in repetitive and unstimulating jobs offer their children little opportunity for self-direction and obedient behavior. Parents whose jobs involve greater variety, stimulation, and self-direction more often tend to use reason when disciplining their children and tend to expect their children to internalize adult norms (Zaslow and Ernig 1997).

Level of Benefit

A widely held assumption has been that children on AFDC in high-benefit states should have improved cognitive ability when compared to children without access to more generous welfare. However, research published in 1994 by now-Congressional Budget Office Director June O'Neill and Ann Hill of Queens College, City University of New York, demonstrates that this is incorrect. O'Neill and Hill examined the IQs of young children who were long-term welfare dependents, having spent at least half of their lives on AFDC, and found that the IQs of long-term welfare-dependent children in low-benefit states were not appreciably different from those in high-benefit states (Rector 1996). What O'Neill and Hill found was that the more years a child spent on welfare, the lower the child's IQ. Children who had spent at least two months of each year since birth on AFDC had cognitive abilities 20 percent below those who had received no welfare, *even after holding family income, race, parental IQ, and other variables constant* (Rector 1996).



Questions for Further Research

Recent research about the effects on children of parents leaving welfare suggests the need to go beyond the simple distinction about whether or not a mother is employed and to consider the circumstances of employment. For welfare mothers, it is possible that mandatory transitions to employment will result in work that pays very low wages, is sporadic, involves nontraditional hours, and is repetitive and unstimulating—conditions likely to undermine the positive implications of maternal employment for children.

With new reforms in public assistance, researchers have identified other issues requiring future investigation:

- What thresholds of parental education and family income must be attained for children to benefit?
- What magnitude and duration of interventions is required for programs to make a difference in children's lives?
- What factors facilitate or inhibit fathers' participation in programs designed to provide support for their families?
- How does a parent's employment outside the home affect family life?
- How do children once supported by public assistance fare after their mothers become employed?
- Are child outcomes affected by the mother's job conditions?
- Do outcomes differ depending on the age of the child if the mother goes to work?

The Challenges to the States

Prior to the passage of the federal welfare law P.L. 104-193, some ambitious state welfare reform packages had already begun to transform the 60-year-old assistance program. Now, after eighteen months from the passage of the law, the effects of the second generation of welfare reform are creating jobs, preparing recipients for work, finding child care slots, constructing safety nets for children and families, and creating funding schemes. If this reform is to succeed, states must transform the former culture and vision of welfare and "free assistance," including the attitudes and actions of caseworkers, politicians, the public, and those receiving assistance (Tweedie 1997).

Though the notion that welfare recipients ought to be required to work for assistance sounds simple, pragmatically it runs into a problem. One of the most difficult problems facing states today is the limited number of jobs suitable for welfare recipients. For instance, the initial work participation rate requirement for FY 1997-98, according to the law, involves more than 1 million jobs, more than the number of AFDC recipients who are currently in activities that would qualify under TANF provisions. The five-year time limit ends assistance, so recipients need jobs in order to support their families. Pavetti has estimated that more than 1 million families will hit this time limit in each of the first five years after the initial five-year period ends. That translates to more than 20 percent of each state's current caseloads *each* year. Complicating matters, two-thirds of adult recipients who have been on welfare for more than five years do not have a high school diploma, and half have never held a job (Tweedie 1997). Further, many welfare recipients don't have the necessary "soft" skills (filling out applications, interpersonal skills, personal grooming, etc.) to succeed in obtaining and keeping a job. Iowa, which has been working longer and harder than most states to move welfare recipients into jobs, has only been able to get 35 percent of its adult welfare caseload working. Additionally, analysts worry that the disparity between states' investments in welfare dollars could widen and trigger a harmful "race to the bottom" as states feel compelled to slash benefits in order to avoid becoming "magnets" that attract poor people from other states (Conte 1996).

Another challenge for states will be child care. Estimates indicate that states will have to double the number of child care slots without jeopardizing quality. Many fear that the pressure to create new spaces, which could result in a decline in quality, combined with parents' worries about inadequate care, could undermine the goal of putting more recipients to work (Tweedie 1997).

Eligibility for child care assistance is one of the issues states will likely revisit as they face greater demand for child care subsidies, and their responses to the removal of guaranteed care are likely to vary (Blank 1996). States will also have to face the prospect that many welfare recipients could eventually lose welfare benefits completely, even though they may be unable to find jobs that pay enough for them to be self-sufficient. One of the results, experts warn, could be to place more children into poverty (Conte 1996).

Examples from SERVE States

Prior to the passage of P.L. 104-193, two southeastern states (see *Figure 1, p. 7*)—North Carolina and Florida—were, and continue to be, highlighted nationally for taking a lead in welfare reform.

North Carolina

North Carolina's Work First legislation, passed in July 1995, is one of the nation's toughest, most comprehensive welfare reform efforts. After almost two years, welfare rolls have dramatically decreased. The number of families receiving welfare checks has declined by 17.4 percent, and Work First has already saved taxpayers $75 million and is estimated to save $115.8 million at the end of two years. Beginning July 1, 1996, families receiving assistance were required to sign Personal Responsibility Contracts that described how they planned to become self-sufficient. These contracts included their promises to keep their children in school, to ensure that their children receive regular immunizations and medical check-ups, and to comply with the work requirement (NC Division of Social Services 1997).

Welfare parents participating in the Work First program are required to get a job, paid or unpaid, or be in short-term job training. They must move off welfare in

two years, though after three years they may reapply. Further, teen parents are required to stay in school and live at home or under approved adult supervision, and no additional cash payments are provided for children born after a family has been in Work First longer than 10 months. One-time grants (called diversion grants) of up to three months of cash benefits are available to help families stay on their feet and off the welfare rolls. Also, under Work First, families can save up to $3,000 and can invest in a car valued up to $5,000 for reliable transportation to work (NC Division of Social Services 1997).

Florida

Florida's new program of providing assistance to the poor, Work and Gain Economic Self-Sufficiency (WAGES), became law in October 1996. WAGES imposes a two-year limit on cash assistance during a five-year period for most recipients and a four-year lifetime limit (more strict than federal law requires). Only mothers with children under three months are exempt from these limits.

Florida also went a step further than federal law by saying that a mother receiving assistance will not receive any additional benefits if she has another child. WAGES recipients must work to remain eligible for some level of assistance. If the parent in a family does not meet the new requirements, benefits for everyone in the family may be cut. Those receiving cash assistance remain eligible for medical help and subsidized child care for up to two years after the welfare checks stop (Fineout 1997).

The short-term result of the law is that Florida's welfare rolls have dropped dramatically. More than 114,000 people are no longer receiving assistance. While some states, such as Texas, have slashed welfare spending, Florida has cut just $50 million from a welfare program that costs $1.1 billion annually. Florida politicians have instead reinvested the savings (some $110 million) from declining welfare rolls to expand child care offerings and other services to help welfare recipients (Fineout 1997).

It is up to local Florida communities to take the next steps in welfare reform. These steps include providing jobs, transportation, child care, and other benefits to those leaving the welfare rolls. Throughout Florida, 24 WAGES coalitions will receive more than $107 million from the state to help provide services to those recipients who still need them. These coalitions will be called upon to set up one-stop benefit centers and to link potential employers to welfare recipients. Also, to entice businesses to hire persons on public assistance, companies will be eligible to receive a host of benefits. In one such incentive program, company officials can collect (for up to six months) the money a welfare recipient would have received, provided the company agrees to permanently hire the welfare recipient (Fineout 1997).

Legislative Updates

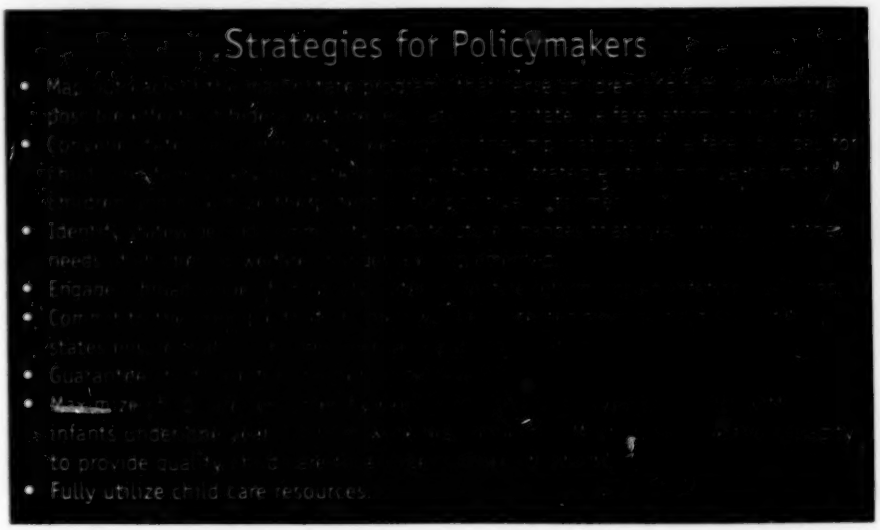
Although welfare reform legislation was effective July 1, 1997, additional legislative activity around the issue continues.

- President Clinton's FY 98-99 budget proposes to increase discretionary funding for the CCDBG to its $1 billion authorization level.
- On August 5, 1997, President Clinton signed into law the landmark CHILD (Children's Health Insurance and Lower Deficit) Act, the most significant funding increase for children's health coverage since the original enactment of Medicaid in 1965.
- As of October 1, 1997, the new child health program, the State Children's Health Insurance Program, provides $48 billion over 10 years, including targeted Medicaid expansions and $4 billion in annual grants to states to cover uninsured children. States have enormous flexibility in setting eligibility rules, defining covered benefits, determining subsidy levels, setting payment rates, selecting health plans, and using managed care. The law will make health insurance more accessible and affordable to 10 million children of working families earning too much to qualify for Medicaid but not enough to buy health insurance on their own. This is significant as each day the number of children without private insurance grows by nearly 3,300 (CDF 1997).

Some Potential Effects of Welfare Reform on Children

The Congressional Budget Office (CBO) has estimated that between 2.5 and 3.5 million children could be affected by a five-year time limit on assistance. According to the CBO, by the year 2002, federal child care funding may fall $1.8 billion short of what will be needed to provide child care for low-income working families if states meet the work participation goals of TANF. Many parents may be faced with the choice of either losing benefits due to non-compliance with work requirements or leaving their children unsupervised (Conte 1996). Further, CBO speculates that a growth in child poverty could lead to an increase in child maltreatment and a corresponding increase in demand for child welfare services, including substitute care, which could also contribute to a movement of children into foster care (Conte 1996). Some experts say that as a result of the new, tougher welfare law, 1.2 million American children may fall into poverty (Royko 1996).

Clearly, there will be important implications of federal and state welfare initiatives for early childhood care and education, but, to date, it is only specula-



tion as to what they specifically will be. Prior experience cannot be used as a predictor of future implementation issues because no significant former federal or state policy initiatives exist. As each state crafts a unique approach to welfare reform, and because each has a somewhat unique system to serve children and families, there will be varied responses, which will affect formal and informal systems for children and families (Collins 1997a). However, considering the provisions of the law, experts have made the following observations and predictions:

- Child care subsidies—By the year 2002, 50 percent of the welfare caseload must be working at least 30 hours per week, yet federal funding will be insufficient to meet the resulting need for child care. This will put enormous pressure on policymakers to target all child care subsidy funds on this particular group of parents (Collins 1997a).
- Early education programs—Many programs for preschoolers are available only on a part-time basis. Conflicts between parents' work schedules and preschool schedules may make part-day programs inaccessible for many parents even without the added burden of making additional care arrangements for children (Collins 1997a).
- Child health—Previously, enrollment was automatic for all families on AFDC. Now, new systems must be developed and maintained to serve families eligible for the former AFDC program (Collins 1997a).

According to Robert Rector, Senior Policy Analyst with the Heritage Foundation, earlier research presents other views which are more optimistic:

- The focus on values and abilities within families, not family income, lead to children's success. Families with higher incomes tend to have sound values concerning self-control, deferred gratification, work, education, and marriage, which they pass on to their children. Those values, rather than the family income, are key to children's academic and societal achievement.
- Dependence on welfare can be replaced with self-sufficiency.
- Self-sufficiency and work will yield fewer problems and better life outcomes for children.
- A decrease in welfare dependence will result in positive outcomes for children's well-being (Rector 1996).

Emerging Trends in Welfare Reform: The Future

During the past year, states have focused largely on the immediate challenges of implementing an overhaul of the welfare system. As states reach the end of the first year since the passage of federal welfare reform legislation, they are beginning to shift their sights from the short-term to the long-term challenges. Recently several governors' welfare reform policy advisors met to share experiences and identify emerging trends in welfare reform. These include the following (National Governors Association 1997):

- *Strong Commitment to Work*—Strongly embracing a "work-first" approach, there is broad consensus among states that work is valuable in and of itself and should be expected of those seeking or receiving public assistance.
- *Emphasis on Personal Responsibility and Accountability*—States are seeking to achieve an appropriate balance between supports and sanctions, most including personal responsibility plans or contracts as a basis of their welfare reform initiatives.
- *Growing Emphasis on Diversion and Welfare Avoidance*—Increasingly, cash assistance is being viewed as a last resort.
- *Reinvestment of Welfare Savings in Prevention Activities and Supports for Working Families*—States are capitalizing on the flexibility provided by the TANF block grant and shifting resources to prevention activities and supports for working families.
- *Income-Based Support Systems for Child Care and Health Care*—States are moving from categorical eligibility for support services tied to welfare assistance to broad-based programs in which eligibility is tied to income. This shifts incentives so it is more beneficial to work than to be on welfare, thus providing needed support to pay for child care and health care.
- *Emphasis on Employer Outreach, Involvement, and Commitment*—States are recognizing the critical role the private sector plays in refocusing both the individual and the entire system on work. States are engaging in convening business leaders, job development, and employer outreach.
- *Involvement of Communities in Planning and Solutions*—There is a strong sense that government alone cannot address the challenges of welfare reform and that a broad range of community partners must be actively involved to meet local needs.
- *Emphasis on Performance-Based Contracting and Accountability*—In exchange for strengthened accountability and fixed funding levels, state agencies are using funding flexibility in budgeting practices including systems and after they leave the welfare rolls.

New federal and state welfare policies are a significant departure from the past, and there is much uncertainty as to when answers and solutions to questions identified in this brief will be available. Accordingly, efforts to understand the interaction between programs, map potential and real effects, and make necessary changes in policies and program structures need to be ongoing. Two-thirds of welfare recipients are children. The challenge for policymakers will continue to be threefold: (1) to understand the potential implications of the federal and state changes in welfare policy, (2) to identify strategies that hold the greatest potential for developing linkages between systems to maximize positive outcomes for children and families, and (3) to develop the necessary support to implement such strategies.

Continued on Page 8

Figure 1. Welfare Reform in the SERVE States

Temporary Assistance for Needy Families (TANF) Plans...	AL	FL	GA	MS	NC	SC
Are complete for purposes of receiving block grant funding	✓	✓	✓	✓	✓	✓
Deny additional benefits for a child born during receipt of TANF assistance		✓	✓	✓	✓	✓
Limit benefits available to new state residents		✓	✓			
Specify job search or participation in a work program before receipt of 24 months of benefits		✓			✓	
Do not address or postpone decision about TANF community service requirement	✓	✓	✓	✓	✓	✓
Permit recipients with a child younger than one year old to be exempt from work requirements					✓	✓
Will NOT continue to provide benefits after January 1, 1997, to non-citizens who were receiving assistance on August 22, 1996	✓					
Provide greater benefits to immigrants than required by TANF		✓	✓	✓	✓	✓
All States* must impose a penalty (sanction) for failure to participate in work or to cooperate in child enforcement. A sanction will result in at least a partial reduction in benefits and...						
Elimination of the entire cash grant as a sanction for failure to participate in work		✓	✓	✓		✓
Elimination of the whole family's cash grant as a sanction for failure to cooperate with child support enforcement	✓		✓	✓	✓	✓
Denial or reduction benefits on the basis of conditions other than those specified above		✓	✓			✓

** Florida—Benefits reduced or terminated if a minor dependent child does not attend school or a preschool child does not receive preventive health care*
** Georgia—Child ineligible for benefits if not immunized or not attending school*
** South Carolina—Minor recipient must attend school as a condition of eligibilty*

Under the new federal law, recipients may not receive more than 60 cumulative months of assitance in a lifetime. However, some states choose to impose shorter time limits on assistance.

Alabama—60 month lifetime limit

Florida—Benefits limited to no more than 24 months out of 60 consecutive months or 36 months out of 72 consecutive months for specified cases; 48 month lifetime limit

Georgia—48 month lifetime limit

Mississippi—60 month lifetime limit

North Carolina—60 month lifetime limit

South Carolina—Benefits limited to no more than 24 months out of 120 consecutive months, with few exceptions; —60 month lifetime limit

Source: *Children's Defense Fund (1997)*

Research findings have repeatedly emphasized that the quality of early childhood experiences has an impact on children's growth and development and on their future life chances. Welfare reform that takes this fact into account and works to improve the lives of families in holistic ways holds the greatest promise of success for this reform and for future generations of children. ●

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About the SERVE Organization

SERVE, the Southeastern Regional Vision for Education, is a consortium of educational organizations whose mission is to promote and support the continual improvement of educational opportunities for all learners in the Southeast. Formed by a coalition of business leaders, governors, policymakers, and educators seeking systemic, lasting improvement in education, the organization is governed and guided by a Board of Directors that includes the chief state school officers, governors, and legislative representatives from Alabama, Florida, Georgia, Mississippi, North Carolina, and South Carolina. SERVE's core component is a regional educational laboratory funded since 1990 by the Office of Educational Research and Improvement (OERI), U.S. Department of Education. Committed to creating a shared vision of the future of education in the Southeast, the consortium impacts educational change by addressing critical issues in the region, acting as a catalyst for positive change, and serving as a resource to individuals and groups striving for comprehensive school improvement.

SERVE
SouthEastern Regional Vision for Education

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